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Vorarlberg. In doing this he has thrown a great deal of light on the motives and agrarian policy of the Austrian government since the time of Maria Theresa and likewise upon the social and economic condition of the lower classes of the people.

T. W. P.

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*The Confederate States of America, 1861-1865: A Financial and Industrial History of the South during the Civil War.* By JOHN CHRISTOPHER SCHWAB, A.M., PH.D. New York: Charles Scribner's Sons, 1901. Royal 8vo, pp. xi+332.

MANY volumes have appeared treating of the reasons for the conflict here dealt with; of the military and political methods employed by the leaders on both sides; of the political and constitutional results; of the financial policy of the North. Professor Schwab's treatise presents for the first time a view of the peculiar economic conditions existing in the South at the beginning of the war and resulting from its continuance, as well as a study of the financial policy pursued by the central government and the several states of the confederacy.

Professor Schwab treats this subject as a study in "anomalous economic conditions," a picture presenting "the negation of normal economic forces," by the condition of war itself, which wrecked the pre-existing industrial organization; the blockade which forced upon the South an economic isolation, "depriving her of all the advantages that modern international trade and credit relations might have offered, and compelling her to revert to earlier industrial forms;" and by the mistaken monetary and financial policy pursued by central and state governments, which led to the destruction of such credit as they possessed at the opening of the war, to inflation of prices, and to financial disaster.

The course of this mistaken financial and monetary policy is traced in detail, and analogies are instanced at every step between the policy here presented and similar action taken by the United States government during the wars of the Revolution and of 1812; by the French during their revolution; by the Italian government at different times, and even by the Chinese government centuries ago. Comparison is also made, though less often than might be desired, with the action of the Federal Congress during the same period, and the policy of Secretary Chase.

Interest centers chiefly about the relation existing between the loan and tax policy in the effort to secure the wherewithal to carry on the war; the monetary policy; and the effect of the war on the development of industries in a region where agriculture had so largely prevailed.

The financial legislation and that regarding taxation is treated of in five chapters, the first four chapters being devoted to the former subject, the single chapter on central and local taxation being strangely enough put at the end of the treatise.

The financial policy, based almost wholly on resort to credit, was inaugurated February 28, 1861, when a loan of 15 million dollars was authorized by the provisional congress. This sum was to be issued in bonds bearing 8 per cent. payable in ten years and redeemable in five at the pleasure of the government by giving three month's public notice. A special duty—a small export charge on cotton—was pledged to the payment of this issue. With the results of this loan, which was quite successful, the funds seized from the United States mints and customs houses, *i. e.*, about one million dollars, and the contributions freely made to the cause, the conflict was begun. The issue of treasury notes began March 9, 1861, and by August of that year the government was committed to a paper money policy. Secretary Memminger, like Secretary Chase, failed to appreciate the duration and severity of the struggle for which it was his duty to secure the means, or of the necessity of immediate and vigorous resort to taxation. Professor Schwab implies that public sentiment on the subject of taxation in the South was behind that in the North, so that, of the two, the southern secretary was the less to blame.

One interesting difference is to be noted. The confederate government did not go to the extent of making its notes a legal tender. Such action was proposed and debated again and again; but the arguments urged in vain in the federal Congress during the winter of 1861-2 against such action prevailed in the South. The arguments which prevailed in the North were urged in the South, with one exception—an appeal to the "general welfare" had been prevented by an alteration in the constitution adopted by the confederacy, by which that dubious clause was omitted. The conflict itself was the outgrowth of the "strict construction" theory, and the influence of that theory prevailed. Some of the states, as Alabama, made contracts thereafter entered into payable in confederate notes; but in other states such

legislation, when proposed, was either rejected or vetoed as being in violation of the provision that states should make only gold and silver a legal tender. Harsh measures were resorted to by individuals and by authorities sometimes to influence individual action by the force of public opinion; but it may always be put down to the credit of the confederate government that it did not go to the extreme marked by the legal tender act of February 25, 1862, of the federal Congress.

The policy inaugurated during the first year was continued during the entire war; its features were: a minimum use of taxation; loans proposed, but failing because inadequately sustained by taxes; and finally a despairing return to treasury notes. Only at the end was there a recognition by Secretary Trenholm of the blunder, and a fruitless attempt made to resort to taxation as a basis for the credit now hopelessly destroyed.

Professor Schwab's treatment is uniformly sympathetic; yet he presents this course from the view-point of the present rather than of that day. The blunders seem in his presentation so obviously blunders that one wonders at the blindness of the leaders, and his closing statement comes as a surprise—"The history of Europe, and especially of the United States, indicates that no statesman or body of statesmen could have devised means of carrying on the war without recourse to such arbitrary and disturbing fiscal devices."

It would be interesting to review the narrative with regard to currency expedients, the fiat money notions prevailing, the issues of notes by local units of government and private corporations, the resort to barter, the rise of prices, the attempts of government to control prices, etc. These have all a familiar sound as expedients resorted to in the other wars enumerated, but the old expedients gain new interest with each example of faith in their efficacy.

As to the development of industry, Professor Schwab finds that the effect of the war on mining and manufacturing industries was slight. Those industries connected with the supply of arms and ammunition were encouraged, but seem not to have gained a permanent foothold. Cotton and paper mills were established, and various forms of manufacturing were attempted, but did not pass beyond the point of experimentation, because of the lack of capital and skilled labor. The railroads suffered enormous losses. Agriculture was injured by the ravages of war, by the effects of the blockade which shut off the foreign and northern market for tobacco and cotton, and by the mistaken policy of

the authorities as to impressment and fixed prices of supplies for the army, which discouraged such cultivation of the land as might have gone on even under the conditions of war.

In spite of the scarcity of material and difficulty of access to the sources, or perhaps because of these obstacles, Professor Schwab's treatise is a most valuable narrative of the struggle from the industrial, and more particularly from the financial point of view. The reader sometimes wishes that the space occupied by the innumerable comparisons might have been given to human touches of explanation which would have explained the lack of financial leadership, contrasting with the brilliant military records. Sometimes, too, there is a suggestion of the mechanical in the succession of citations in cases where similarities were so great that to refer to differences — as in the case of the policy adopted by the several states with reference to the same question, would have given greater clearness to the narrative. But these are small and carping criticisms of a faithful and sympathetic presentation which should be heartily welcomed by the student of this the crucial period in our country's history.

S. P. BRECKINRIDGE.

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*Reconstruction in Mississippi.* By JAMES WILFORD GARNER. New York: The Macmillan Co., 1901, 8vo, pp. xiii+422.

THIS presentation of "a period too little studied as yet and of capital importance in our constitutional history" is a timely one, and an illustration of the statement ventured recently that "even the period of the reconstruction can now be judged fairly enough." In view of late constitutional and political developments in many of the southern states by which, it is believed, the work of reconstruction is being undone and its effects nullified, such a study has peculiar value. In interpreting such phenomena, answers must be sought to the questions: What was attempted by the reconstruction policy? Wherein did that policy succeed temporarily? Which of its results have stood the test of a quarter of a century, to be then, perhaps, overthrown?

With reference to one state, Mississippi, taken as illustrative, the writer has supplied answers to these queries in a discussion which is dispassionate and scholarly and at the same time most sympathetic.

Politically, interest centers in the causes leading to the substitution